

# **VERMONT DEPARTMENT OF PUBLIC SERVICE MEDIA RELEASE**

**FOR IMMEDIATE RELEASE**  
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**FOR INFORMATION CONTACT**  
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## **Entergy Uprate Agreement Provides Approximately \$20 million In Public Benefit and Ratepayer Indemnification**

**Funds Would be Allocated to Assist Low Income Vermonters with Power Costs  
and the Governor's Clean & Clear Water Initiative**

**Montpelier, VT**—The Vermont Department of Public Service (DPS) and Entergy Nuclear Vermont Yankee (Entergy) today filed with the Public Service Board (PSB) an agreement concerning the company's application to increase power output at the Vernon plant. The agreement provides an estimated \$10 million in support for crisis energy assistance for low income Vermonters, and environmental and business development programs. Critical to the agreement was the inclusion of a \$4.5 million ratepayer indemnification plan that provides financial protection from uprate related outages to Vermont ratepayers. On the basis of the public benefits, DPS filed testimony today supporting the proposed power increase, or "uprate," and recommending PSB approval of the proposal. The agreement does not restrict the DPS's ability to address nuclear safety before the Nuclear Regulatory Commission (NRC).

"Throughout this case, we have said that Vermonters needed to be protected from any ill effects of possible plant outages caused by the uprate, and that Entergy needed to provide substantial economic benefit to the state and its residents for us to support their proposal," said Public Service Commissioner David O'Brien. "This agreement achieves those two goals by providing Vermonters with an estimated \$15.5 million in economic benefit and with significant protection against costs potentially associated with uprate-related plant outages."

The agreement comes in a PSB case in which Entergy is seeking a Certificate of Public Good to increase power output of the Vermont Yankee nuclear power plant by 20 percent. Commissioner O'Brien made it clear that today's agreement does not affect the Department's review of the safety aspects of the power increase before the Nuclear Regulatory Commission (NRC). Entergy recently filed

a safety application with the NRC and expects a decision by August 2004. "We will continue to ensure we get answers to all our safety questions in the NRC license amendment process. Nuclear safety will not be compromised," O'Brien said.

The agreement provides that 20 percent of the increased power output will be subject to a revenue-sharing program, proceeds of which will flow to the State of Vermont. The funds, which are projected at \$10 million from 2004 through 2012, when the plant's current license expires, will be apportioned to three programs. The Warmth program will receive an estimated \$2.171 million for crisis assistance to low income Vermonters to prevent disconnection of their power during the winter months.

The balance of funds, an estimated \$7.815 million, will go to the Governor's recently announced Clean and Clear Initiative for the clean up of the state's waterways, including Lake Champlain. This far-reaching effort will coordinate federal, state, local, and private funds to achieve the ambitious goals of accelerating full implementation of the EPA-approved plan for phosphorous reduction in Lake Champlain, and carrying out Vermont's agreements with New York and Quebec. The uprate funds represent a significant initial contribution toward the state share of the clean-up program, which leverages matching federal dollars thereby multiplying the effect of the funding.

A one-time amount of \$200,000 contributed by Entergy in the first year will go to support marketing of Vermont to new business investment, through the Department of Economic Development.

The outage protection component of the agreement provides up to \$4.5 million in contingency protection from excess power costs that might result if the uprate process causes temporary outages requiring Vermont utilities to buy replacement power at higher costs. The outage protection coverage will be in effect for three years, the period during which there is a risk of uprate-related outages.

Other benefits of the agreement include increased generation tax revenue associated with the uprate power, a favorable contract between Entergy and Vermont Electric Cooperative for 10 megawatts of power for three years, and increased temporary local employment of Vermont Yankee personnel. The total estimated value of these additional benefits is \$5.5 million.